

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6305**

**BILL NUMBER: SB 94**

**NOTE PREPARED:** Nov 26, 2003

**BILL AMENDED:**

**SUBJECT:** Bonds for Vehicle Dealers and Wholesale Dealers.

**FIRST AUTHOR:** Sen. Wyss

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires an applicant for a license to be a dealer or wholesale dealer of motor vehicles to secure a bond or renewal certificate for a bond. It provides that the failure to possess the bond required to do business is grounds for suspension or revocation of a motor vehicle dealer or wholesale dealer license. The bill specifies the circumstances when the surety makes indemnification for monetary loss.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** This bill provides a Class B misdemeanor for dealers and wholesale dealers of motor vehicles who fail to notify the Bureau of Motor Vehicles when not renewing or when cancelling the bond required by this bill.

*Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** Department of Correction. Department of Correction.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:**

**Fiscal Analyst:** James Sperlik, 317-232-9866.